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SUBJECT: KIRKUK: CORRUPTION ALLEGATIONS FORCE OBEIDI TO
STEP DOWN AS AUB COORDINATOR

Classified By: Team Leader Howard Keegan for reasons 1.4 (b) and (d).

This is a PRT Kirkuk reporting cable.

11. (C) Summary: Ahmed Obeidi from the Iraqi Republican Gathering (IRG) was removed as Coordinator of the Arab Unity Bloc (AUB) in Kirkuk, due to allegations of stealing IRG funds targeted to the AUB. Obeidi's membership in the IRG was also revoked. Sheikh Khary al-Assi took his place as the new AUB Coordinator effective November 20; this move has not been made public but has been confirmed by multiple sources. Leaders within the AUB initially opposed the removal of Ahmed and subsequently entered into negotiations with the National Movement for Restoration and Development (NMRD) over a possible coalition. Although tensions with the IRG -- AUB's main source of funding -- have been tentatively resolved by Obeidi's removal, the AUB is continuing discussions with the NMRD. If AUB eventually breaks with IRG, it would drive Kirkuk's Arabs into the arms of another financier, with unknown political implications. End Summary.

IRG and AUB

12. (C) Recent tumultuous events within the AUB (aka Kutla Arabia, the main Arab political force in Kirkuk province) resulted in the removal of Ahmed Obeidi from his position as Coordinator - arguably the second most powerful position within the political bloc. The push to remove Ahmed came from outside the province in the form of Saad Asim Janabi, Secretary General of the IRG. (Comment: The AUB is a political list registered for the next election and not a political party per se. However, for all intents and purposes it acts as a political party, and is easily the most influential Arab political force in Kirkuk province. All Arab Provincial Council (PC) members, excluding those on the Kurdish Brotherhood List, are part of the AUB. End comment.)

13. (C) Saad Asim Janabi, via his party the IRG, is the main funding source for Kirkuk's AUB. According to numerous sources, including Abu Saddam (aka Sheikh Hussein Ali Salih, Chairman of the AUB), when the AUB first formed in early 2008 it was Obeidi who brought Saad Asim and the IRG in as a coalition partner. Ahmed had a standing relationship with Saad Asim, and held the position of IRG party head in Kirkuk province. As the Coordinator of the AUB and a ranking member of the IRG, Obeidi facilitated the transfer of funds from the IRG to the AUB.

AUB seeking funds, Obeidi suspected of theft

14. (C) PRT engagements with multiple Arab leaders, including Abu Saddam and PC members Mohammed Khalil and Sheik Burhan al-Assi, reveal that Saad Asim Janabi became suspicious in late October 2008 that Ahmed Obeidi was stealing money from the IRG. Saad Asim subsequently called for Obeidi's removal from the Coordinator position within the AUB. AUB leaders

balked at this demand and asked Saad Asim to reconsider. With the possibility of IRG funding being lost, the AUB began looking for other funding sources. Comment: The AUB was likely reluctant to remove Obeidi because of his influence with educated Arabs in and around Kirkuk city. Ahmed also holds a very visible position within the bloc, frequently serving as spokesman for the AUB in various media outlets. End comment.

15. (C) In late October Abu Saddam traveled to Lebanon to meet Dr. Jamal Nasser, Secretary General of the National Movement for Restoration and Development (NMRD, an Iraqi Arab political party). Subsequent PRT meetings with Aseel Abdulwahed al-Yaseri, public relations officer for the NMRD, QAbdulwahed al-Yaseri, public relations officer for the NMRD, reveal that Abu Saddam was looking at the NMRD as a possible coalition partner with the AUB. The NMRD is well funded and could easily take over the fiscal role held by the IRG. According to Aseel, leaders within the AUB were considering cutting their ties with the IRG and joining the NMRD. Obeidi was a big proponent of this move.

Ahmed Obeidi out, Khary al-Assi in

16. (C) Saad Asim apparently relented to the AUB and backed away from his demand that Obeidi be replaced. However, he secretly sent a group of investigators to Kirkuk to audit his financial dealings. On November 14 a confrontation occurred between these investigators and Obeidi. After this event, according to several sources including Mohammed Khalil, Ahmed made public statements against Saad Asim.

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17. (C) The results of the investigation, along with the statements made by Obeidi following his confrontation with the investigators were the last straws for Saad Asim. Obeidi was kicked out of the IRG and removed from the position of Coordinator in the AUB on November 20. No Arab leader was willing or able to go into the details of what Saad Asim's investigators found. Abu Saddam simply confirmed that Ahmed needed to step down due to "financial problems". Sheikh Burhan al-Assi al-Obeidi, admittedly a political enemy of Ahmed's, went further in saying, "I will no longer refer to Ahmed as an Obeidi, he has disgraced the Obeidi tribe".

18. (C) Sheikh Khary al-Assi replaced Ahmed Obeidi as the Coordinator of the AUB. Sheikh Khary is the first cousin of Kirkuk PC member Sheikh Abdullah Sami al-Assi, and is closely aligned with Wasfi al-Assi and Sheikh Burhan al-Assi. Prior to the demotion of Ahmed Obeidi, Sheikh Khary held the position of Deputy Chairman of the AUB. He will now hold both the Deputy Chairman and Coordinator positions.

NMRD still in the picture

19. (C) Ahmed Obeidi is no longer a member of the IRG, but remains a part of the AUB. According to Abu Saddam he will continue as director of the AUB preparation for the Article 23 Committee. Both Mohammed Khalil and Abu Saddam noted that Ahmed still carries a lot of influence in the province, and can still mobilize educated voters in and around Kirkuk city. They both believe he will remain an important member of the AUB. To date his replacement within the AUB hierarchy has been kept out of the media and has not been discussed in public.

110. (C) PRT met with Ahmed Obeidi's sister, PC member Ramla Obeidi, on December 3. She refused to confirm that Ahmed is no longer the Coordinator of the AUB, but did admit that he is no longer part of the IRG. She said Ahmed and "other members of the AUB" are continuing to fight against the

"false claims" made by Saad Asim Janabi. She believes that the real motivation behind the move by Saad Asim is to put more power in the hands of tribal leaders at the expense of educated technocrats. Ramla related that Ahmed is not opposed to stepping down as Coordinator as long as he is replaced by someone qualified. She said that Sheikh Khary al-Assi is too young and unqualified to take this position.

¶11. (C) While the relationship between the IRG and the AUB now appears on safe footing, the AUB is continuing discussions with the NMRD on a possible coalition. It is unclear if these discussions are being driven by ideological similarities or financial motivations. AUB leaders confided to the PRT that they do not know the source of NMRD's seemingly large income, and this is a concern. According to Aseel Abdulwahed, Dr. Jamal Nasser is a successful businessman and funds the NMRD largely from his own personal finances. Abu Saddam is expected to make another trip in the near future to either Lebanon or Jordan to meet Dr. Jamal Nasser (he lives in Amman) for further discussions.

Comment

¶12. (C) A break between the IRG and the AUB would likely have significant political ramifications for the Arabs in Kirkuk province. The AUB by and large follows the political leadership of the IRG, and is beholden to Saad Asim for funding. If the AUB were to find another financier, such as the NMRD, it is expected that their political stance will be altered to reflect this new relationship. PRT engagements with NMRD representatives show their platform to be Qwith NMRD representatives show their platform to be apparently moderate, but their motives in specifically targeting Kirkuk are unknown. There also appears to be a large Shi'a representation in the NMRD, which, if an alliance occurred, could draw the Sunni Arabs in Kirkuk closer to the Shi'a Arabs in Southern Iraq. End comment.
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